



January 14, 2014

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## HOUSE BILL No. 1126

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DIGEST OF HB 1126 (Updated January 14, 2014 11:01 am - DI 84)

**Citations Affected:** IC 22-2.

**Synopsis:** Wage payment and wage assignment. Provides that an employer who fails to make timely payment of wages to an employee may be ordered by a court to pay an award of: (1) liquidated damages for at least 10% of the unpaid wages; and (2) a reasonable fee for the employee's attorney, if the total award is less than double the past due wages. Provides that an employee may assign wages for: (1) the purchase, rental, or use of uniforms or equipment necessary to fulfill the duties of employment; (2) reimbursement for education or employee skills training; and (3) an advance for payroll or vacation pay.

**Effective:** July 1, 2014.

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January 9, 2014, read first time and referred to Committee on Employment, Labor and Pensions.

January 14, 2014, reported — Do Pass.

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HB 1126—LS 6633/DI 96





January 14, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1126

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A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 22-2-5-2 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2014]: Sec. 2. Every such person, firm,  
3 corporation, limited liability company, or association who shall fail to  
4 make payment of wages to any such employee as provided in section  
5 1 of this chapter shall as ~~liquidated damages for such failure~~, **pay be**  
6 **liable to such the** employee for ~~each day that~~ the amount ~~due to him~~  
7 ~~remains unpaid ten percent (10%) of the amount due to him in addition~~  
8 ~~thereto, not exceeding double the amount of unpaid wages, due, and~~  
9 ~~said damages the amount~~ may be recovered in any court having  
10 jurisdiction of a suit to recover the amount due to ~~such the~~ employee.  
11 ~~and In addition, if the court in any such suit so brought to recover~~  
12 ~~said wages or the~~ **determines that the failure to pay the employee as**  
13 **provided in section 1 of this chapter was in bad faith, the court**  
14 **may:**  
15       **(1) order, as liquidated damages for nonpayment thereof, or both,**  
16       **the court shall the failure, that the employee be paid an amount**

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1        **not to exceed ten percent (10%) of the amount due to the**  
 2        **employee for each day that the amount due to the employee**  
 3        **remains unpaid; and**

4        **(2) tax and assess as costs in said the case a reasonable fee for the**  
 5        **plaintiff's attorney; or attorneys;**

6        **if the award under subdivision (1), under subdivision (2), or under**  
 7        **both subdivisions (1) and (2) does not exceed a total amount of**  
 8        **double the amount of wages due to the employee. The remedies**  
 9        **provided in this section may not be used to permit a multiple**  
 10       **recovery of the unpaid wages, costs, or attorney's fees if the**  
 11       **employee obtains relief under any other state or federal statute or**  
 12       **cause of action.**

13       SECTION 2. IC 22-2-6-2 IS AMENDED TO READ AS FOLLOWS  
 14       [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) Any assignment of the wages  
 15       of an employee is valid only if all of the following conditions are  
 16       satisfied:

17       (1) The assignment is:

18           (A) in writing;

19           (B) signed by the employee personally;

20           (C) by its terms revocable at any time by the employee upon  
 21           written notice to the employer; and

22           (D) agreed to in writing by the employer.

23       (2) An executed copy of the assignment is delivered to the  
 24       employer within ten (10) days after its execution.

25       (3) The assignment is made for a purpose described in subsection  
 26       (b).

27       (b) A wage assignment under this section may be made for the  
 28       purpose of paying any of the following:

29           (1) Premium on a policy of insurance obtained for the employee  
 30           by the employer.

31           (2) Pledge or contribution of the employee to a charitable or  
 32           nonprofit organization.

33           (3) Purchase price of bonds or securities, issued or guaranteed by  
 34           the United States.

35           (4) Purchase price of shares of stock, or fractional interests  
 36           therein, of the employing company, or of a company owning the  
 37           majority of the issued and outstanding stock of the employing  
 38           company, whether purchased from such company, in the open  
 39           market or otherwise. However, if such shares are to be purchased  
 40           on installments pursuant to a written purchase agreement, the  
 41           employee has the right under the purchase agreement at any time  
 42           before completing purchase of such shares to cancel said



1 agreement and to have repaid promptly the amount of all  
2 installment payments which theretofore have been made.

3 (5) Dues to become owing by the employee to a labor  
4 organization of which the employee is a member.

5 (6) Purchase price of merchandise sold by the employer to the  
6 employee, at the written request of the employee.

7 (7) Amount of a loan made to the employee by the employer and  
8 evidenced by a written instrument executed by the employee  
9 subject to the amount limits set forth in section 4(c) of this  
10 chapter.

11 (8) Contributions, assessments, or dues of the employee to a  
12 hospital service or a surgical or medical expense plan or to an  
13 employees' association, trust, or plan existing for the purpose of  
14 paying pensions or other benefits to said employee or to others  
15 designated by the employee.

16 (9) Payment to any credit union, nonprofit organizations, or  
17 associations of employees of such employer organized under any  
18 law of this state or of the United States.

19 (10) Payment to any person or organization regulated under the  
20 Uniform Consumer Credit Code (IC 24-4.5) for deposit or credit  
21 to the employee's account by electronic transfer or as otherwise  
22 designated by the employee.

23 (11) Premiums on policies of insurance and annuities purchased  
24 by the employee on the employee's life.

25 (12) The purchase price of shares or fractional interest in shares  
26 in one (1) or more mutual funds.

27 (13) A judgment owed by the employee if the payment:

28 (A) is made in accordance with an agreement between the  
29 employee and the creditor; and

30 (B) is not a garnishment under IC 34-25-3.

31 **(14) The:**

32 **(A) purchase;**

33 **(B) rental; or**

34 **(C) use;**

35 **of uniforms or equipment necessary to fulfill the duties of**  
36 **employment.**

37 **(15) Reimbursement for education or employee skills training.**

38 **(16) An advance for:**

39 **(A) payroll; or**

40 **(B) vacation;**

41 **pay.**



## COMMITTEE REPORT

MR. SPEAKER:

Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1126, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1126 as introduced.)

Committee Vote: Yeas 9, Nays 4

Representative Gutwein

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